

EXHIBIT 3

Transcript of James Leavitt
Conducted on October 8, 2021

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1 finances.

2 Q Okay. Do you know whether he made any
3 decisions as to what products were stocked in the
4 shop?

5 A I don't have a way of knowing that.

6 Q So most -- is it fair to say that most of
7 your dealings with Mr. Wehrli were in connection
8 with finances?

9 A Yes.

10 Q And that would be payment of -- for --

11 A Invoices.

12 Q -- pottery that they purchased from you?

13 A Correct.

14 Q Would you say that the -- Ms. Demiduk and
15 Mr. Wehrli were wholesale customers of yours?

16 MR. WILLETT: Object to form.

17 A In a sense they were, yes.

18 Q Did you control -- have any control over
19 their pricing of the products that they purchased
20 from you, their pricing that they would pass along
21 to customers?

22 A No.

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1 Q But you did control obviously the prices
2 of the products that you sold to them?

3 A Yes.

4 Q Were those products sold at a wholesale
5 price?

6 A They're sold at a discount.

7 Q Was that the same discount that you -- or
8 strike that.

9 Do you provide the same discount to your
10 other retail outlets that purchase from you today?

11 A No.

12 Q Was that discount greater?

13 A Yes.

14 Q Are you aware that Ms. Demiduk used other
15 names for her shop beyond Emerson Creek Pottery?

16 MR. WILLETT: Object to form.

17 A It was called Country View Pottery, I
18 think.

19 Q Okay. Did she ever use the mark "Emerson
20 Creek Pottery & Tearoom"?

21 A Yes.

22 Q Did you object to that?

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1 A No.

2 Q Was Emerson Creek Pottery & Tearoom one of
3 the marks that was included in the license
4 agreement from 2000?

5 A It was not directly in that agreement, but
6 it would have fallen under the general terms of
7 Emerson Creek Pottery and the uses of it, I would
8 say.

9 Q Do you know when Ms. Demiduk began using
10 Emerson Creek Pottery & Tearoom?

11 A 2004, 2006; I'm not sure.

12 Q Did Ms. Demiduk ask you if she could
13 expand her pottery shop into -- adding on a
14 tearoom?

15 A She told me that she was planning to. She
16 kept me up with her ideas and plans to do all of
17 that; yes, I knew all about it.

18 Q And you agreed to that?

19 A I did.

20 Q Did -- were you aware that she also
21 expanded into -- for the tearoom, into a
22 restaurant?

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1 A Yep.

2 Q Do you know when that was?

3 A I don't remember what year, no.

4 Q Did you object to her transitioning into a
5 restaurant?

6 A Well, to me they were both the same, but
7 no, it would fall under the same category, yeah.

8 Q Were you aware that Ms. Demiduk further
9 expanded her business to include hosting weddings?

10 A Yes.

11 Q Do you remember when that was?

12 A It might have been 2010, 2011.

13 Q And did you object to her use of --

14 A I did not. She told me of her plans in
15 some detail, yes.

16 Q Okay. Did you ever inspect the facility
17 that Ms. Demiduk was using to provide both the
18 restaurant services and the wedding hosting
19 services?

20 A No, I did not.

21 Q So I believe you testified earlier that at
22 some point Ms. Demiduk breached the agreement.

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1 Can you tell me exactly what activities she did
2 that breached the agreement?

3 MR. WILLETT: Object to form.

4 A Yeah, I discovered that she was selling
5 other pottery in her store.

6 Q And what did you do when you discovered
7 she was selling other pottery?

8 A That's when we sent her a notice that she
9 was in breach.

10 Q And is that when the license was
11 terminated?

12 A Yes.

13 Q Do you recall when that was?

14 A I think it was in the 2017 range. I don't
15 remember the date.

16 Q So between 2000 when you started your
17 relationship with Ms. Demiduk and Mr. Wehrli, and
18 2017 when you terminated the license, how would
19 you characterize, up until -- up until you found
20 that they were selling third-party pottery, how
21 was the relationship between you and the
22 defendants?

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1 A I felt we had a good relationship.

2 Q Was there any time during that period that
3 you told Ms. Demiduk that she couldn't do
4 anything?

5 MR. WILLETT: Object to form.

6 A I don't recall.

7 Q So what happened after you terminated the
8 license?

9 MR. WILLETT: Object to form.

10 A What happened?

11 Q In connection with your relationship with
12 the Demiduks, what happened after you terminated
13 the license?

14 A We basically didn't have much to do with
15 each other. I was trying to get her to -- I think
16 at that point it was handled by lawyers, so we
17 didn't really have a relationship.

18 Q Did you make the decision to sue the
19 defendants?

20 MR. WILLETT: Object to form, and object
21 to the extent it calls for revelation of
22 attorney-client communications. Answer if you can